The KSA Perspective
Published by Kurt Salmon Associates June 1990

Apparel profile for 1989

Another strong year for 47 public firms, despite difficult market. Biggest 10 take 90% of profits.

All things considered, the public apparel industry had a good year in 1989. Sales for the 47 companies in KSA's fiscal 1989 Profile rose 15% over 1988, reaching $14.6 billion. On that volume, total profit for the group (before extraordinary items) was $687 million, an 18% increase over the previous year, and a comfortable 4.7% of sales.

In view of the generally mediocre climate for apparel products during the last few years, rising costs and imports, and the debt problems that dogged some of their largest retail customers in 1989, the publicly owned apparel and associated fashion companies have been doing quite well. Since 1985, the firms in this Profile increased their sales by 71% and their profits by a resounding 257%. Over the same period, they hoisted their composite return on equity from 7.8% to a plateau of 14% for three years. In 1989, ROE jumped to 16.3% — the highest such figure for any of the 18 Profiles in this series. The median for this Profile is 9.2%, more than a point higher than last year's.

Size Will Out.

Slowly but surely, size is becoming a compelling factor in apparel industry performance. The 10 largest companies fully profiled this year accounted for 90% of total profits; last year it was 88%; in 1980, it was 78%. (If privately owned *Levi Strauss* were included, the big 10 would take 92% of total earnings.) Adding private companies and the apparel volume of conglomerates, the Sales & Earnings list features 33 firms over $100 million.

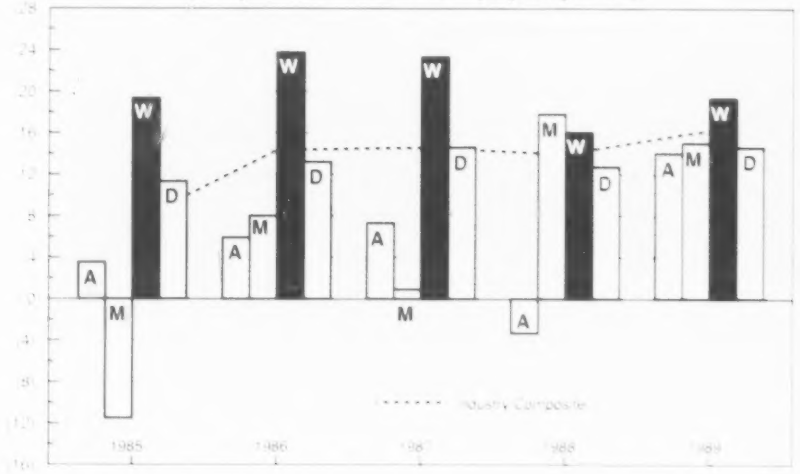
There is a larger concentration of big companies in apparel today – due mainly to the restructuring that took place during the Eighties. Two-thirds of the 90 companies listed at the beginning of the decade in our fiscal 1980 Profile do not appear this year. At least 15 of them now belong to other companies, while the rest have either gone private or out of business.

But internal growth has also contributed to the industry's consolidation. Larger companies have emerged and become more formidable competitors because they have more resources — financial and otherwise— and they are able and willing to deploy them in marketing, brand development and extension, systems for more responsive service, new technology, and better management.

The public apparel industry continues to invest in itself. Capital ex-

Women's Wear Firms Lead Sector Performance

(Composite Return on Total Equity % by Sector)



Sales and Earnings*

SALES RANK 1989	1988		Sales ($000)	Net Income ($000)
1	1	Levi Strauss 11.89-P	3,627,854	272,253
2	3	Sara Lee 06.89-C	2,873,000	305,000 §
3	2	VF Corp. 12.89-D	2,532,711	176,011
4	4	Liz Claiborne 12.89-D	1,410,677	164,591
5	5	Fruit of the Loom 12.89-D	1,320,900	72,000
6	15	Crystal Brands 12.89-D	857,241	18,529
7	8	Leslie Fay 12.89-W	786,257	25,762
8	7	Kellwood Co. 04.89-D	753,682	33,503
		01.90	787,548	27,175
9	11	Russell Corp. 12.89-D	687,954	64,735
10	12	Phillips-Van Heusen Corp. 01.89-D	641,038	20,669
		01.90	732,936	24,192
11	14	The Gitano Group 12.89-D	625,890	30,701
12	10	Hartmarx 11.89-C	598,100	58,500 §
13	9	Oxford Industries 05.89-D	566,176	9,875
14	12	Warnaco 12.89-P	516,373	-7,902
15	16	Salant Corp. 12.89-D	469,621	-9,354
16	17	Gerber Products 03.89-C	353,124	27,968 §
17	19	Tultex Corp. 12.89-D	334,020	5,034
18	21	Oshkosh B'Gosh 12.89-W	315,076	37,598
19	27	Marcade Group 01.89-D	286,733	8,377
		01.90	377,651	10,644
20	20	Bernard Chaus 06.89-W	268,026	-3,276
		12.89	284,356	2,044
21	22	Russ Togs 01.89-W	260,169	2,329
		01.90	236,951	-5,989
22	18	Farah Mfg. 10.89-M	239,047	-11,627
23	26	Nike 05.89-C	208,200	-
24	25	Hampton Industries 12.89-M	181,809	3,557
25	30	Swank 12.89-A	143,567	1,009
26	29	Garan 09.89-D	136,713	8,548
		12.89	142,098	9,516
27	34	Beeba's Creations 06.89-W	128,558	4,072
		02.90	142,571	4,077
28	36	Sanmark-Stardust 06.89-W	126,589	4,755
		12.89	128,250	2,472
29	31	Genesco 01.89-C	124,729	13,729 †
		01.90	134,200	16,531 †
30	37	Oneita Industries 09.89-M	123,116	3,930
		12.89	133,217	4,473
31	32	Oak Hill Sportswear Corp. 12.89-W	117,808	129
32	33	Superior Surgical Mfg. 12.89-D	113,754	7,160
33	26	Munsingwear 12.89-D	111,838	-14,974
34	39	Stage II Apparel Corp. 12.89-M	98,977	3,116
35	-	G-III Apparel Group, Ltd. 07.89-W	98,786	5,940
36	41	Andover Togs 11.89-W	91,766	1,153
37	40	Signal Apparel Co. 12.89-D	90,603	-578
38	43	State O Maine 02.89-M	74,991	5,427
		02.90	95,349	5,757
39	35	Bayly Corp. 10.89-M	74,555	-6,247
40	45	Quiksilver 10.89-M	70,742	7,002
41	38	Jaclyn 06.89-A	66,702	1,825
		12.89	71,092	2,126
42	42	Aileen 10.89-W	60,332	-5,492
43	49	The Shirt Shed 07.89-M	51,913	2,202
		01.90	59,138	2,302
44	46	Kleinert's 11.89-W	49,633	1,552
45	47	Alba-Waldensian 12.89-A	46,958	1,650
46	51	Nutmeg Industries 01.89-D	40,127	3,219
		01.90	50,706	293
47	50	ProGroup 09.89-A	38,100	2,259
48	53	Private Brands 09.89-A	35,153	864
49	44	Nantucket Industries 02.89-D	34,531	2,103
50	52	Medalist 12.89-C	27,003	-358 §
51	48	Rocky Mount Undergarment Co. 12.89-D	26,088	958
52	55	Fairfield Noble Corp. 06.89-W	24,532	-5,960
53	56	Raven 01.89-C	13,246	1,664 §
		01.90	16,902	2,208
54	59	Howard B. Wolf 05.89-W	9,332	550
		02.90	9,999	476
55	58	Techknits 02.89-W	8,081	541
56	-	Littlefield, Adams & Co. 12.89-D	6,607	-186
		Sales Total	**22,979,108**	

* Where available, quarterly data have been added to show latest 12 months' performance. Where previous year's figures have been restated by a company, they are not reflected in the Profile.

§ - Operating earnings † - Pre-tax income - Not available

P - privately owned company filing 10-K report

C - Multi-industry firms or conglomerate divisions. Apparel sales may be estimated and include the following components: (1) Apparel; (2) Hosiery; (3) Associated Fashion Products.

Other classification definitions are listed on page 4.

penditures were 3.4% of sales in 1989. Over the last five years, these companies have invested over $1.9 billion in their businesses — one-and-one-half times their total depreciation. Since their fixed assets were $2.2 billion last year, it could be said they have almost replaced themselves in five years' time.

As consolidation produces more big winners in apparel, stabilization may be reducing the number of losers. One in four companies lost money in fiscal 1988; last year the ratio dropped below one in five. The Profile's composite P & L reflects more consistent performance, with less year-to-year volatility. Composite return on sales ratios over the last four years have stayed within a narrow range of 4.6% to 4.9%.

While more stable performance is always welcome in apparel, it makes dull reading. For some excitement, we must turn to the different sectors and individual companies.

Median Performances — 1989

	No. of Firms	Sales ($MM)	% Return on Sales	% Return on Equity
Profile	***47***	***118***	***3.2***	***9.2***
Men's	8	99	3.2	12.7
Women's	14	118	3.2	9.6
Diversified	20	469	4.4	16.1
Associated Fashion	5	47	2.7	7.9

"Purer" Classifications.

With more companies constantly adding new categories to their product

mix, defining them by traditional gender or product market classifications becomes hazardous. (With almost half a billion dollars in activewear sales, can *Fruit of the Loom* still be considered a men's and boys' underwear producer?) Yet the attempt needs to be made for comparison purposes.

Accordingly, this year's Profile divides itself into smaller but more homogenous sub-industry sectors. Companies have been classified Men's and Boys' Wear or Women's and Children's Wear if 75% or more of their sales come from that product category. Thus, *Garan* is now classified as a Diversified firm since 30% of its sales come from women's wear, and 14% from men's wear, even though children's wear remains its largest area.

Sector and Company Results

The 14 firms in Women's and Children's Wear turned in the best sector performance in 1989, with a 46% gain in total dollar earnings on 20% higher sales. The group's ratios are impressive: 5.8% profits on sales; 19.3% return on equity; 1.8 sales/assets. However, they are somewhat misleading because these composites are heavily weighted by larger firms like *Leslie Fay* and *Oshkosh B'Gosh*. (The latter's $37.6-million profit was 11.9% of sales — the highest in the Profile.)

The median profit performance of the 14 firms was only 3.2% on sales, with three losers. But *Beeba's Creations* and *Sanmark-Stardust* made impressive turnarounds in 1989, and newcomers like *G-III* and *Techknits* did well. Also, the group performed without help from *Liz Claiborne* this year. (With that company's figures, Women's Wear's composite profit would have been 7.2%.) There is no question that women's wear had a healthier year in 1989, following the vicissitudes it suffered in 1988.

The Men's and Boys' sector had a mixed performance last year, with too many extremes. Its eight companies posted an 18% gain in total sales, but combined profits were down by $107,000. Losses by its largest firm, *Farah*, outweighed the good returns of two of its smallest members, *Shirt Shed* and *Quiksilver*. Nevertheless, composite return on equity was 15% and the median 12.7%.

The Diversified group, which grew from 12 to 20 firms under reclassification, featured all-around solid performances and a few exceptional ones in fiscal 1989. It realized 22% more total profits on 11% more sales, yielding a composite 4.5% profit ratio. The median return on equity of 16.1% for all Diversified firms actually exceeded the group's composite of 14.6%. This rarity reflects both the high number of good performers in the Diversified sector as well as the fact that it contains so many large firms (median size: $469 million.) Thus, its composite figures are less affected by size.

Diversified companies accounted for 45% of the total Profile's sales, and 43% of its profits. Because of their large size, these firms tend to dominate their various market and product niches: *Fruit of the Loom* in underwear, *Russell* in activewear, *Liz Claiborne* and *Crystal Brands* in the department stores, and *Gitano* among the mass merchants.

Some of them represent another important trend in apparel: globalization. *Kellwood* and *Claiborne* have developed successful global sourcing strategies, and the latter is now beginning to export its brand marketing prowess. (*Oshkosh* is exploring the same strategy in children's wear.)

The five companies making up the Associated Fashion Products sector enjoyed a huge jump in profit dollars (500%) on a modest 11% gain in sales. Two firms were responsible, with turnarounds of $4 million for *Alba-Waldensian*, and $2.7 million for *Swank*. Both were losers in 1988.

Because of the weak spots and uncertainties that plagued the apparel industry in 1989, this Profile could be viewed as a pleasant surprise. It reveals some unexpected strengths, solid if unexciting performance, and the emergence of a few dominant themes that promise more exciting developments.

Apparel Performance Profile — Fiscal 1989

COMPANY	RETURN ON SALES %	89	88	RETURN ON TOTAL EQUITY %	89	88	TOTAL DEBT TO ASSETS	89	88	RETURN ON TOTAL ASSETS %	89	88	RETURN ON NET OPERATING ASSETS %	89	88	GROSS PROFIT %	89	88	OPERATING EARNINGS %	89	88	INVENTORY TURNS	89	88	RETURN ON INVESTED CAPITAL %	89	88
AILEEN 10/89-W	-9.10	43	28	-30.01	40	27	0.38	31	39	-18.63	41	25	-19.67	44	34	32.82	9	2	-7.94	46	35	2.39	43	40	-29.87	41	25
ALBA-WALDENSIAN 12/89-A	3.51	19	37	7.69	25	33	0.27	39	39	5.58	21	35	11.66	29	42	18.99	36	41	6.12	25	43	3.98	16	21	7.29	23	35
ANDOVER TOGS 11/89-W	1.26	33	30	6.97	30	29	0.67	11	17	2.28	31	29	12.02	28	30	21.85	32	32	4.85	32	33	3.65	21	29	3.94	30	29
BAYLY CORPORATION 10/89-M	-8.38	42	+	NA	#	+	1.18	1	1	-19.18	42	+	-20.66	45	46	23.16	30	37	-5.99	45	47	3.60	22	27	-46.98	42	+
BEEBA'S CREATIONS 08/89-W	3.17	23	++	9.64	21	++	0.19	43	46	7.86	14	++	16.32	22	38	24.15	25	35	5.34	27	39	4.74	8	5	9.64	17	++
BERNARD CHAUS INC 06/89-W	-1.22	38	36	-6.60	37	36	0.40	30	29	-3.99	38	37	-5.95	41	45	16.53	44	43	-1.43	42	45	7.54	2	3	-5.09	38	37
CRYSTAL BRANDS 12/89-D	3.08	25	21	7.79	26	25	0.65	15	9	2.71	30	28	24.43	11	29	35.61	6	7	9.89	12	26	2.36	45	47	3.67	31	27
FAIRFIELD-NOBLE CORP. 06/89-W	-24.29	44	+	-5570.09	+	+	0.99	3	13	-63.96	43	+	-85.20	46	33	16.76	42	3	-21.14	47	31	3.72	20	46	-5570.09	43	+
FARAH MANUFACTURING 10/89-M	-4.42	41	32	-18.67	39	31	0.52	22	13	-8.88	40	31	-13.51	43	39	23.27	29	22	-5.02	44	40	2.78	36	25	-15.94	40	31
FRUIT OF THE LOOM 12/89-D	5.45	14	8	22.05	8	4	0.83	5	4	3.83	28	23	35.64	4	3	31.36	15	11	20.02	1	1	3.37	26	30	5.48	27	23
GARAN INC 09/89-D	6.25	10	15	13.20	17	20	0.29	37	39	9.36	7	15	17.13	19	26	24.49	24	30	8.77	15	21	4.64	10	8	12.33	8	17
G-III APPAREL GROUP LTD 07/89-W	6.01	11	20	111.74	*	*	0.86	*	*	15.60	*	*	39.48	*	*	17.34	39	40	11.86	10	17	9.88	1	2	86.54	*	*
THE GITANO GROUP, INC. 12/89-D	4.91	15	14	24.26	7	8	0.71	8	15	6.96	16	14	17.91	16	13	28.22	18	18	9.59	13	13	2.37	44	37	11.68	11	8
HAMPTON INDUSTRIES INC 12/89-M	1.96	29	24	6.63	31	23	0.45	27	27	3.63	29	21	11.63	31	27	18.48	38	36	5.23	30	28	3.50	24	26	4.56	29	24
JACLYN INC 06/89-A	2.74	26	17	8.54	24	11	0.34	33	34	5.63	20	6	6.86	36	12	29.66	17	17	2.58	37	25	6.96	3	1	8.15	20	7
KELLWOOD COMPANY 04/89-D	4.45	16	16	17.54	11	10	0.57	17	19	7.49	15	16	22.28	13	15	20.07	33	33	7.65	20	19	4.31	13	6	11.76	12	15
KLEINERT'S 11/89-W	2.35	28	31	9.58	22	30	0.53	21	20	4.53	25	30	13.10	26	32	15.88	46	46	7.16	21	32	2.91	34	31	7.40	22	30
THE LESLIE FAY COMPANIES 12/89-W	3.28	20	22	16.14	15	14	0.59	16	17	6.65	17	19	28.32	7	7	31.41	14	13	8.02	18	14	4.73	9	7	8.92	19	20
LITTLEFIELD, ADAMS & CO 12/89-D	-2.82	40	35	-13.60	38	34	0.67	11	11	-4.52	39	34	3.54	38	35	25.14	23	25	1.44	39	36	3.03	31	43	-10.34	39	34
LIZ CLAIBORNE, INC 12/89-D	11.67	2	2	26.91	6	7	0.28	38	43	19.40	3	2	37.21	3	5	40.33	3	8	17.51	3	6	4.60	11	10	26.24	3	3
THE MARCADE GROUP, INC. 01/89-D	1.96	29	+	16.76	12	+	0.69	9	7	5.15	22	+	25.51	10	18	24.12	26	31	8.12	17	23	4.31	13	19	7.15	24	+
MUNSINGWEAR 12/89-D	-15.40	+	+	NA	#	+	1.00	2	6	-20.68	+	+	-7.76	42	44	26.07	21	29	-3.01	43	44	3.01	32	22	-42.28	+	+
NANTUCKET INDUSTRIES 02/89-D	7.39	++	34	18.74	++	32	0.46	26	11	10.06	++	33	11.64	30	40	22.73	31	45	5.47	26	42	2.57	39	17	12.66	++	32
NUTMEG INDUSTRIES 01/89-D	8.02	5	3	31.49	3	1	0.69	9	16	9.64	6	5	25.54	9	6	41.12	2	5	16.98	6	4	1.47	47	44	15.41	5	1
OAK HILL SPORTSWEAR CORP. 12/89-W	0.11	36	26	0.76	35	15	0.57	17	20	0.33	35	17	8.89	33	14	23.61	27	24	2.02	38	30	5.48	4	4	0.67	35	9
ONEITA INDUSTRIES INC 09/89-M	3.19	22	23	7.69	27	24	0.43	28	30	4.34	26	22	14.36	23	22	16.87	41	42	7.97	19	22	3.30	28	35	5.21	28	22
OSHKOSH B'GOSH 12/89-W	11.93	1	6	29.22	4	9	0.21	42	39	23.03	2	4	42.96	2	10	33.66	7	21	19.88	2	8	2.56	40	32	28.23	2	5
OXFORD INDUSTRIES 05/89-D	1.74	31	++	9.18	23	++	0.50	23	22	4.63	24	++	13.42	25	41	19.78	34	39	3.55	36	41	4.78	7	9	6.84	26	++
PHILLIPS-VAN HEUSEN CORP 01/89-D	3.22	21	13	19.63	10	2	0.67	11	9	6.40	18	10	19.70	14	19	31.65	13	16	7.13	22	16	2.77	37	33	9.32	18	11
PRIVATE BRANDS, INC. 09/89-A	2.46	27	24	7.91	25	26	0.48	25	24	4.12	27	24	12.26	27	28	11.53	47	44	6.90	23	20	2.87	35	42	7.91	21	21
PROGROUP INC 09/89-A	5.93	12	10	11.02	20	19	0.19	43	45	8.95	10	11	17.01	20	21	32.50	10	9	9.56	14	11	3.56	23	24	10.98	13	16
QUIKSILVER 10/89-M	9.90	3	5	32.54	2	3	0.19	43	37	26.46	1	1	63.30	1	2	39.18	4	6	17.21	5	7	4.84	6	28	32.54	1	2
ROCKY MOUNT UNDERGARMENT CO 12/89-D	-4.98	+	++	12.03	+	++	0.24	41	35	9.13	+	++	0.38	39	8	16.93	40	34	0.13	40	29	3.30	28	18	11.47	+	++
RUSS TOGS 01/89-W	0.90	34	19	2.33	34	22	0.34	33	37	1.54	34	19	8.48	34	25	19.29	35	27	3.96	35	24	2.68	38	34	2.24	34	19
RUSSELL CORPORATION 12/89-D	9.41	4	1	15.87	16	17	0.43	28	32	8.98	9	9	18.70	15	16	33.44	8	10	17.49	4	2	4.50	12	15	10.57	14	14
SALANT CORPORATION (11/88)12/89-D	-1.99	39	27	-56.53	41	6	0.95	4	2	-2.81	37	26	13.88	24	17	26.64	20	19	5.02	31	18	3.12	30	11	-5.04	37	26
SANMARK-STARDUST INC 06/89-W	3.76	18	33	28.70	5	35	0.80	7	5	5.78	19	32	17.33	18	36	26.03	22	26	8.43	16	37	1.97	46	45	10.50	15	33
THE SHIRT SHED, INC 07/89-M	4.24	17	+	49.10	1	+	0.82	6	3	8.77	11	+	17.80	17	24	18.85	37	38	6.82	24	27	4.21	15	13	11.19	12	+
SIGNAL APPAREL COMPANY 12/89-D	-0.96	37	38	-2.46	36	37	0.49	24	23	-1.25	36	36	-2.13	40	43	16.06	45	47	-0.89	41	46	3.31	27	38	-1.60	36	36
STAGE II APPAREL CORP. 12/89-M	3.15	24	18	12.67	18	13	0.36	32	25	8.13	13	11	34.65	5	1	23.37	28	23	5.34	27	15	3.76	19	23	12.67	7	6
STATE-O-MAINE 02/89-M	7.24	6	7	16.70	13	5	0.15	46	27	14.24	4	3	32.41	6	4	38.35	5	4	13.26	8	5	5.21	5	14	16.38	4	4
SUPERIOR SURGICAL MFG 12/89-D	6.29	9	11	16.15	14	12	0.34	33	32	10.69	5	7	22.67	12	11	32.40	11	12	10.92	11	12	2.44	41	36	13.32	9	10
SWANK INC 12/89-A	0.70	35	++	4.96	32	++	0.67	11	9	1.65	33	++	16.74	21	31	44.78	1	1	5.27	29	34	3.41	25	40	2.36	33	++
TECHKNITS, INC. 02/89-W	6.69	8	4	7.19	29	21	0.31	36	35	4.98	23	18	11.61	32	23	27.29	19	20	13.81	7	3	2.41	42	12	6.91	25	18
TULTEX CORPORATION (11/88)12/89-D	1.51	32	12	3.82	33	18	0.54	20	26	1.74	32	13	5.43	37	20	16.58	43	28	4.25	34	10	3.91	17	16	2.47	32	12
VF CORPORATION 12/89-D	6.95	7	9	21.47	9	16	0.57	17	30	9.31	8	8	26.19	8	9	30.77	16	15	12.35	9	9	3.77	18	20	12.08	9	13
HOWARD B WOLF 05/89-W	5.75	13	29	11.13	19	28	0.26	40	44	8.22	12	27	8.32	15	37	32.08	12	14	4.70	33	38	2.98	33	38	10.28	16	27

+ Extraordinary gains exceed 1% of net sales; unranked.
++ Extraordinary losses exceed 1% of net sales; unranked.
# ROE not calculated because of negative equity and negative earnings.
*G-III's balance sheet ratios were based on proforma data that have since been restated and are therefore not ranked.

Return on Net Operating Assets is a new ratio added to the Profile to present a truer measure of operating performance. It is derived by dividing Operating Earnings by Current Assets minus Accounts Payable and Other Current Liabilities, plus Net Fixed Assets.

Classifications

Public companies deriving at least half of their total sales volumes from manufacturing and/or marketing of apparel or associated personal consumer products are included in the full data analysis.

These firms have been classified M (75% Men's and Boys' Apparel), W (75% Women's and Children's Apparel), D (Diversified, with no sector accounting for 75%), or A (Associated Fashion Products — companies whose sales may include some apparel along with related products such as hosiery, gloves, headwear, leather products, jewelry, sporting goods, and the like). Footwear is specifically excluded; firms in that category are part of our Footwear Profile. A separate category — C— covers divisions of conglomerates or multi-product companies that do a significant amount of business in apparel, although more than half of their sales is in retailing, footwear or unrelated products. The apparel sales volumes of these companies, and some indication of their earnings performances, where available, are included in the Sales & Earnings table on page 2. However, their financial data have not been tabulated in the Profile.

Noteworthy Performances

Return on Total Equity

	1989	1985-89	
	%	%	Rank
1 Shirt Shed	49.10	—	—
2 Quiksilver	32.54	—	—
3 Nutmeg	31.49	—	—
4 Oshkosh B'Gosh	29.22	27.29	2
5 Sanmark-Stardust	28.70	15.03	10
6 Liz Claiborne	26.91	29.19	1
7 Gitano	24.26	—	—
8 Fruit of the Loom	22.05	5.24	21
9 VF	21.47	18.67	5
10 Phillips Van-Heusen	19.63	15.61	8

Return on Sales

(Before extraordinary items)

	1989	1985-89	
	%	%	Rank
1 Oshkosh B'Gosh	11.93	9.96	2
2 Liz Claiborne	11.67	10.68	1
3 Quiksilver	9.90	—	—
4 Russell	9.41	9.43	3
5 Nutmeg	8.02	—	—
6 Nantucket	7.39	1.09	22
7 State-O-Maine	7.24	6.62	5
8 VF	6.95	7.50	4
9 Techknits	6.69	—	—
10 Superior Surgical	6.29	5.11	8

Disclaimer

The information presented in this Performance Profile was obtained from available annual reports made by public companies to their stockholders and to the Securities and Exchange Commission. While we believe the information furnished to be reliable, no representations are made as to the accuracy thereof. Kurt Salmon Associates assumes no responsibility for any errors in the Performance Profile, whether of omission or commission.

Information presented herein is based solely on publicly-available data; the confidentiality of KSA's client relationships has been maintained throughout. KSA's Financial Performance Profile is intended solely for the statistical information of the purchaser. It is not a representation, prospectus, or circular in respect of any stock or security of any corporation. The data and comments contained herein do not constitute investment advice in any form.

The Complete Profile

A full print-out covering fiscal years ending 1985 through 1989 is available for in-depth comparisons and study.

For each of the companies, as well as the industry segment composites and the total industry aggregate, the report contains a full financial statement, a balance sheet, and a comprehensive list of ratios.

It is available from KSA at a cost of $400.

Industry Sector Results and Top Performers

Industry Sectors and Top Performers*	No. of Firms Reported	Sales ($000)	Net Income ($000)	Return on Sales %	Return on Total Equity %	Total Debt to Assets	Return on Total Assets %	Return on Net Operating Assets %	Gross Profit %	Oper Earn %	Inv. Turns	Return on Invested Capital %
Women's & Children's Wear (W)												
Oshkosh B'Gosh		315,076	37,598	11.93	29.22	21	23.03	42.96	33.66	19.88	2.56	28.23
1989	14	4,706,172	275,930	5.86	19.26	46	10.44	25.27	30.70	10.50	3.65	14.87
1988 (FY 88 Profile 18)	14	3,929,966	185,674	4.72	15.95	47	8.49	21.54	28.46	8.60	3.75	12.34
Men's & Boys' Wear (M)												
Shirt Shed		51,913	2,202	4.24	49.10	82	8.77	17.80	18.85	6.82	4.21	11.19
1989	8	2,917,215	103,248	3.54	15.04	75	3.80	26.05	29.15	12.02	3.20	5.45
1988 (FY 88 Profile 11)	8	2,474,722	102,606	4.15	17.78	79	3.81	23.77	29.11	11.01	3.14	6.00
Associated Fashion Products (A)												
ProGroup		38,100	2,259	5.93	11.02	19	8.95	17.01	32.50	9.56	3.56	10.98
1989	5	463,797	15,650	3.37	14.09	51	6.85	17.49	28.98	6.86	4.32	10.96
1988 (FY 88 Profile 6)	5	416,154	-3,303	-.79	-3.31	57	-1.44	8.28	26.65	3.65	3.83	-2.26
Diversified (D)												
Nutmeg		40,127	3,219	8.02	31.49	69	9.64	25.54	41.12	16.98	1.47	15.41
1989	20	6,550,295	290,713	4.44	14.61	58	6.09	20.23	28.17	9.80	3.60	8.24
1988 (FY 88 Profile 12)	20	5,882,315	279,282	4.75	12.73	51	6.25	18.53	27.62	9.19	3.71	8.41
Industry Totals												
1989	47	14,637,479	685,541*	4.68	16.26	59	6.62	22.82	29.20	10.37	3.54	9.23
1988	47	12,703,157	564,256	4.44	13.99	58	5.89	20.05	28.14	9.18	3.60	8.44

*Top performers had best return on total equity ranking in each sector

Composite Profit and Loss Data — Apparel Industry

(47 Companies)

FISCAL PERIOD ENDING:	1989		1988		1987		1986		1985	
	$	PCT	$	PCT	$	PCT	$	PCT	$	PCT
Net Sales	14637479	100.00	12703157	100.00	11641814	100.00	9319098	100.00	8547224	100.00
-Cost of Goods Sold	10363216	70.80	9129051	71.86	8215368	70.57	6489221	69.63	6105306	71.43
Gross Profit	4274263	29.20	3574106	28.14	3426446	29.43	2829877	30.37	2441918	28.57
-Sell, Gen. & Admin	2755839	18.83	2407535	18.95	2125903	18.26	1715427	18.41	1617478	18.92
Operating Earnings	1518424	10.37	1166571	9.18	1300543	11.17	1114450	11.96	824440	9.65
-Interest Expense	409168	2.80	305425	2.40	257642	2.21	236967	2.54	258692	3.03
Misc. Income Exp.	28446	0.19	43704	0.34	4337	0.04	-4938	-0.05	-106751	-1.25
Income Before Tax	1137702	7.77	904850	7.12	1047238	9.00	872545	9.36	458997	5.37
- Income Tax	450751	3.08	323992	2.55	479249	4.12	438630	4.71	261299	3.06
Income After Tax	686951	4.69	580858	4.57	567989	4.88	433915	4.66	197698	2.31
Extraordinary Item	-1410	-0.01	-16602	-0.13	-31818	-0.27	10310	0.11	-3018	-0.04
Net Income	685541	4.68	564256	4.44	536171	4.61	444225	4.77	194680	2.28
No. of companies	*47*		*47*		*46*		*40*		*36*	

FLOW OF FUNDS ANALYSIS					
Working Cap at Start	2937747	2512273	2271267	1891078	1419019
Net Income	685541	564256	536171	444225	194680
Depreciation	365065	315751	267145	197187	167021
Change in L-T Debt	558163	926579	44583	-47450	1108257
Change in Deferred	5481	-150700	-142245	275488	445594
Change in Pref Stk	-61	79380	-234270	15662	220538
Change in Common	63154	90143	449507	585219	83461
Dividends Paid	-145318	-139534	-112370	-167377	-115918
Capital Expend	-502704	-518773	-430028	-281724	-215705
Misc Assets Change	7464	-345351	40898	-171590	-1480411
Misc Transactions	-462002	-396277	-178385	-469451	64542
Working Cap at End	3512530	2937747	2512273	2271267	1891078

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Printed in U.S.A. / 6/89/4.5M